NUEXCO

EXECUTIVE SUMMARY
REPORT 200
(All data as of March 31, 1985)

Exchange Value
$15.00, unchanged

The **Exchange Value** is **$15.00** per pound U_3O_8, unchanged since last month. Eleven recent natural uranium sales are reported, involving approximately 2.1 million pounds U_3O_8 equivalent. All involved delivery prior to 1986, and ten met the conditions for inclusion in the Transaction Value. Three involved natural UF_6.

Supply-Demand Ratio
fell to 1.0:1

Active spot and near-term **uranium supply** amounts to **4.3 million** pounds U_3O_8 equivalent, down 1.1 million pounds since last month. Active spot and near-term **uranium demand** totals **4.1 million** pounds, up 1.8 million pounds. The spot and near-term **supply-demand ratio** declined to **1.0:1.**

Transaction Value
fell to $15.05

The **Transaction Value** is **$15.05** per pound U_3O_8, down $0.65 since last month. The calculation includes 16 transactions involving a total of 2.4 million pounds U_3O_8 and equivalent UF_6, and covers a period of 3 months.

Loan Use Charge Rate
unchanged at 5%

The **Loan Use Charge Rate** is **5 percent** per annum, unchanged.

Conversion Value
unchanged at $1.00

The **Conversion Value** is **$1.00** per pound U as UF_6, unchanged since last month. One secondary market conversion transaction is reported, involving approximately 200,000 pounds U as UF_6. Active secondary market supply for conversion services for delivery within three years totals 110 thousand pounds U as UF_6. Active demand totals 255 thousand pounds U as UF_6. The secondary conversion market is developing a severe dichotomy: sellers of natural UF_6 need to offer discounts of 25 to 35 percent on the contained conversion in order to stimulate buyer interest. On the other hand, buyers of secondary market conversion services need to pay as much as a 50-percent premium to attract a willing seller.

SWU Values:
$98 for DOE-origin (FY85)
$25 discount for FY86
$80 for non-DOE origin
calendar year 1985
$85 for calendar year 1986

The **SWU Values** for DOE origin at .3 tails and certifiable as excess, are **$98** per SWU for FY85 delivery, and **$25** per SWU discount from DOE base price for FY86 delivery. SWU Values for other SWUs (non-DOE or non-certifiable) are **$80** per SWU for calendar year 1985 delivery, and **$85** per SWU for calendar year 1986 delivery. One secondary market SWU transaction is reported, involving 300 to 600 thousand SWUs of Eurodif origin.

Analysis & Commentary

Dr. Karl Cohen, a pioneer in the theory of gas centrifuge enrichment technology, in a presentation at the A.I.F. Conference, concluded that the establishment of a government corporation to oversee the enrichment enterprise was necessary in the USA.

Greece

The existence of a uranium production pilot plant in operation since late 1984 was announced, and further exploration and development plans now are under way.

Japan

Annual uranium price negotiations with suppliers took place in recent months.

United States

Several nuclear plants received operating licenses in February and March, but the Atomic Safety and Licensing Board revoked LILCO's low-power license for its Shoreham plant.

Raw Materials

Uranium is produced from a wide variety of deposits in the USSR, which are categorized by class and type of occurrence.

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NUEXCO REPORT 200 FIGURES OF THE MONTH (March 31, 1985)	This Month (Report 200)	Last Month (Report 199)	12 Months Ago (Report 188)
Exchange Value[1]	15.00	15.00	17.00
Transaction Value[1]	15.05	15.70	19.25
Loan Use Charge Rate[2]	5%	5%	6%
Conversion Value[3]	1.00	1.00	0.80
Near-Term Uranium Supply[4]	4.3	5.3	6.1
Near-Term Uranium Demand[5]	4.1	2.3	3.8
Near-Term Supply-Demand Ratio	1.0	2.3	1.6
Recent Uranium Sales:			
Number of Transactions[6]	11	9	9
Quantity of Material[7]	2.1	2.1	1.5–3.0
Nuexco SWU Values:[8]			
DOE origin, certifiable as excess, 0.3 tails assay			
FY85 delivery	98	102	100
FY86 delivery	25[9]	20[9]	—
Other SWUs (non-DOE or non-certifiable)			
1985 delivery	80	80	80
1986 delivery	85	88	—
USDOE SWU Prices:			
USEC	135.00	135.00	135.00
AFC	153.00[10]	153.00[10]	153.00
Requirements	157.00[10]	157.00[10]	157.00
Market Value of Enriched UF_6[11] [12]:			
2.5 w/o U_{235}	471	481	531
3.0 w/o U_{235}	608	621	684
3.5 w/o U_{235}	748	765	840
4.0 w/o U_{235}	890	911	998

[1] US $ per pound U_3O_8 equivalent.
[2] Per annum.
[3] US $ per pound U as UF_6.
[4] Active inquiries to sell, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[5] Active inquiries to purchase, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[6] Uranium sales only; does not include loans, conversion, or SWU transactions.
[7] Millions of pounds U_3O_8, equivalent.
[8] US $ per SWU.
[9] Discount from USEC base price on delivery.
[10] Effective 10/1/84.
[11] Calculated using the Nuexco Exchange Value, Conversion Value, and 0.30 percent tails assay. From 10/31/83 through 2/29/84, calculations used the Nuexco SWU Value for DOE origin and FY84 delivery. As of 3/31/84, calculations use the Nuexco SWU Value for DOE origin and FY85 delivery.
[12] US $ per KgU as UF_6, rounded to the nearest $.

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